

October 20, 2000

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**LIBERTY CONSULTANTS FIND EDISON
ALLOWED TRANSMISSION SYSTEM
TO DETERIORATE**

The Liberty Consulting Group, investigating Commonwealth Edison Company's electrical transmission, distribution and management systems, said in its latest report that while the company's transmission system performed reliably and did not suffer the same problems as the distribution system during the late 1990's, it could have because the company had allowed the system to deteriorate.

Today, the Illinois Commerce Commission released the third in a series of reports from Liberty Consulting. The Commission hired Liberty to review the Commonwealth Edison transmission and distribution system, as well as the company's standards, policies, procedures and practices at the time of Edison's summer 1999 power outages. Liberty's investigation is not directed at the summer 1999 outages or at Edison's ongoing system rehabilitation efforts, but rather at the condition of the company's system and the utility's action or inaction that set the stage for the decline in its service reliability over the years.

In the latest report, the consultants found that the transmission system performed well, the company had appropriate transmission design standards and the proper technical resources and professional staff to carry out these duties, however, system planning design criteria were incomplete and transmission system planning was based on inadequate load forecasts. The consultants stated that Edison had not performed proactive preventative maintenance, but rather reactive maintenance, that is correcting the problem after a failure.

The report also finds that customer service declined and communications between the company and its customers worsened throughout the 1990's. Liberty found that in virtually all areas Commonwealth Edison's customer service was not consistent with good utility practices, as evidenced by an increase in the number of delayed billings, ineffective meter readings and the longer time it took for customer service telephone representatives to respond to calls.

Liberty suggested that outage-related communications to customers were often inaccurate and untimely, due to insufficient policies and procedures and a confusing organizational approach that likely resulted from a series of reorganizations.

The Liberty consultants recommended that Commonwealth Edison:

- Modify its load forecasting methods;
- Address and correct maintenance items identified by inspection programs, according to its maintenance programs schedules;
- Give transmission system maintenance equal priority to distribution system maintenance, including funding;
- Replace all of the Bakelite joints in its underground transmission cables;
- Conduct an in-depth assessment of customer service performance and report the findings to the ICC; and
- Revise and update corporate policies and develop comprehensive procedures related to outage communications.

The first and second Liberty reports to the Commission, released in June and July evaluated Commonwealth Edison's electric distribution system. They found that while the company, in general, had good standards, procedures and people to carry them out, its electrical system failed in the summer of 1999 because Edison had not spent nearly enough money on maintenance and necessary system improvements in prior years. All of the reports including the latest report from Liberty on the transmission system, are posted to the ICC Internet web site at <http://www.icc.state.il.us>.